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IN THE

Supreme Court of the United States

OCTOBER TERM, 1990

WALLACE INTERNATIONAL SILVERSMITHS, INC.,

Petitioner,

vs.

GODINGER SILVER ART CO., INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

MARTIN PAVANE*
DEIRDRE A. NICOLLE
SCHECHTER, BRUCKER & PAVANE, P.C.
350 Fifth Avenue, Suite 4510
New York, New York 10118
(212) 244-6600

Attorneys for Respondent

* (Counsel of Record)

QUESTIONS PRESENTED

1. Whether the Second Circuit properly affirmed the District Court's denial of petitioner's motion for a preliminary injunction where the silverware designs in question were not confusingly similar and any similarity in the designs was due to design elements necessary to compete in the market for baroque silverware.

2. Whether an ornamental feature claimed as a trademark should be denied trademark protection where such protection would significantly hinder competition by limiting the range of adequate alternative designs.

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COUNTER-STATEMENT OF THE CASE

Preface

Petitioner Wallace International Silversmiths, Inc. (herein "Wallace") suggests that this Court should grant certiorari to set a single standard for measuring infringement in trade dress

infringement cases. However, the grant of certiorari is not necessary as the legal principles governing infringement actions are universal - the likelihood of confusion standard governs all such actions. If there is no bright line dividing infringement from non-infringement it is not because of varying legal standards but rather because the cases turn on the facts.

Wallace predicates its petition on the erroneous premise that the Second Circuit has adopted a new standard to ascertain trade dress infringement. In so contending, Wallace relies on dicta in the final paragraph of the fourteen page memorandum opinion and order of the Second Circuit (herein the "Opinion")[1] and completely ignores the

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[1] The Opinion is reported at 916 F.2d 76 (2d Cir. 1990).

balance of the Opinion wherein the Second Circuit clearly and unequivocally adheres to the "likelihood of confusion" test.

In challenging the Second Circuit Opinion, Wallace never acknowledges the inherent weakness of its mark and, therefore, the limited protection to which it is entitled. The Second Circuit, in accordance with well settled principles of law, simply held that where a mark is weak because it is comprised of generic design elements common in the marketplace, it is entitled to protection only from identical or virtually identical designs.

Clearly, there is no substantial need to grant the petition.

Background

Wallace is a manufacturer of sterling silver and silver-plate products. (3a)[2] Wallace manufactures, inter alia, baroque style sterling silver and silver-plate flatware patterns denominated "Grand Baroque". Respondent Godinger Silver Art Co., Ltd. (herein "Godinger") is also a manufacturer of silver-plate products. Godinger manufactures, inter alia, baroque style silver-plate serving pieces.

Although the "Grand Baroque" pattern was first distributed by Wallace in 1941, (3a) Wallace made no attempt to copyright the pattern and did not file an application for trademark

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[2] References denominated "(____ a)" are to the Appendix to the Petition for Writ of Certiorari.

registration for the pattern until February, 1990.[3] (A 87)[4] According to the official file, Wallace's application to register the "Grand Baroque" pattern as a trademark is still pending.

While Wallace maintains that its "Grand Baroque" pattern has never changed (A 42), the evidence suggests otherwise. Twelve "Grand Baroque" pieces of silverware were submitted to the District Court. Two of those pieces, a spoon and knife, constituted

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[3] Although the declaration of the application is dated December 11, 1989 (A 19), the United States Patent and Trademark Office (herein "PTO") file indicates that the application was filed on February 1, 1990.

[4] References denominated "(A ____)" are to the Joint Appendix filed upon the appeal in the United States Court of Appeals for the Second Circuit.

Godinger Exhibit "D" (hereinafter "Grand Baroque" Spoon D and "Grand Baroque" Knife D). (A 65) The remaining "Grand Baroque" pieces were submitted to the District Court by Wallace. (A 120)[5]

The "Grand Baroque" pattern of Spoon D contains flowers which have five petals arrayed around a central disk ("daisy"). The outline of the petals and central disk are distinct and easily discernible. The middle curls of the design contain two of the aforementioned daisies. The two

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[5] All of the "Grand Baroque" pieces, albeit in different ways, identify Wallace as the manufacturer. Spoon D bears the words "WALLACE STERLING" in the back of the spoon handle. Knife D has the words "WALLACE STERLING HANDLE STAINLESS BLADE" etched on one side of the knife blade. The remaining serving pieces contain the Wallace logo, a fanciful W.

daisies are arranged vertically within the curl, one on top of the other. There are six "cut-outs" (holes through the pattern) in the Spoon D pattern, three on either side of the handle. On the front of Spoon D each curl is outlined by a single line of beads while the back of Spoon D has a single line of beads only around the middle curls. Also, the pattern on the back does not extend down onto the spoon handle as it does on the front.

The "Grand Baroque" pattern of Knife D is different than the pattern of Spoon D. The flower on Knife D does not have five discernible petals, but instead looks like a raised silver circle with circular swirling petal outlines etched therein ("modern rose"). There are no cut-outs in the Knife D design. The middle curls

contain two daisy flowers vertically aligned. The pattern on the front and the back of Knife D is the same.

Wallace also manufactures a "Grand Baroque" silverware pattern containing daffodils together with flowers that have six petals arrayed around a central disk (A55, Cold Meat Fork, No. 2). That makes three pattern variations offered by Wallace under the "Grand Baroque" name. The trademark application filed by Wallace on February 1, 1990 is for the pattern on Spoon D (daisy). (A 20)

As the Opinion recognizes (3a), both Godinger's baroque pattern and Wallace's "Grand Baroque" pattern contain the usual baroque elements i.e., flowery roots, scrolls, curls and flowers. Moreover, and as the Opinion

also recognizes (3a-4a), differences between the two patterns are readily apparent. See A 117 where the "Grand Baroque" pie server and the Godinger cake server are displayed side by side. The overall shape of the "Grand Baroque" pattern is wide at the top where the first two curls are and tapers down until the pattern ends on the stem of the pie server. By contrast, the Godinger pattern is not tapered, but maintains its width throughout creating a bulkier presentation. Also, the ornamentation at the top center (the "root") is very short on the "Grand Baroque" pattern while the Godinger root is much longer resulting in a long flat shiny area of silver-plate. The top curls are also different - the Wallace curls are small and rounded, while the Godinger curls are longer and have an elongated oval

shape. The Godinger pattern extends further down the handle than does the "Grand Baroque" pattern and the flowers at the center of the pattern are different than those on the Wallace pie server.

Although Wallace has commenced this action against Godinger, it has not taken any action against other silverware manufacturers who for many years have been selling baroque patterns which are also substantially similar to Wallace's "Grand Baroque" pattern. Compare, for example, Oneida's Michelangelo and DaVinci patterns (A 69, 70), Gorham's LaScala pattern (A 71), Reed & Barton's El Greco and Spanish Baroque patterns (A 72), Towle's El Grandee design (A 83) and

the Camusso pattern[6] (A 121) with Wallace's "Grand Baroque" design. (16a)

Likelihood of Confusion

Wallace alleges that it first became aware of Godinger's baroque pattern on April 23, 1990 when it was advised by George Fina, a retailer of Wallace silverware, that he saw Godinger's advertisement in the April 23, 1990 issue of Home Furnishings Daily, a trade magazine. (A 44) Mr. Fina was not confused as to the source of Godinger's pattern as he referred to Godinger by name during his conversation with Mr. Florence. (A 59) Indeed, the Godinger name appears

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[6] Although the Camusso pattern is substantially identical to the "Grand Baroque" pattern, Wallace's counsel asserts that the two patterns are not similar. (A 113)

numerous times in the advertisement in question (A 57). Moreover, as displayed and sold in retail stores, Godinger's baroque style serving pieces are in boxes (A 67), each of which prominently displays the "Godinger Silver" name.

Plainly, neither the trade nor the consumer will confuse Godinger's pieces with Wallace. The pieces are different in appearance. (3a-4a) The Godinger advertisement and the boxes in which Godinger's serving pieces are sold (A 67) prominently display the Godinger name. An individual purchasing Godinger's serving pieces cannot possibly believe that he/she is purchasing Wallace's "Grand Baroque". Moreover Wallace's name and/or logo is imprinted on its silverware, thereby further obviating confusion. The price

differential alone makes it all but impossible for the trade or the consumer to confuse Godinger's pieces with Wallace's "Grand Baroque". (A 9, 102)

Wallace's Application to the District Court

On April 25, 1990 at approximately 5:00 p.m., Wallace served Godinger with a summons and complaint together with an order to show cause for a temporary restraining order, preliminary injunction and expedited discovery. The order to show cause was returnable the next day at 9:00 a.m.

As set forth in Wallace's complaint, its objections to Godinger's activities are twofold. First, Wallace objects to Godinger's use of the phrase "20th Century Baroque" in marketing

Godinger's serving pieces as an infringement of Wallace's "Grand Baroque" trademark. Not surprisingly, Wallace did not press this argument to the District Court, as evidence presented by Godinger disclosed a Reed & Barton baroque silverware pattern named "Spanish Baroque" and a Gorham baroque silverware pattern named "Crown Baroque".[7] (A 72, 78)

Secondly, Wallace's complaint alleges that Godinger's pattern is likely to be confused with Wallace's "Grand Baroque" pattern and, therefore, that Godinger's sale of its baroque

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[7] Wallace has taken no action against Reed & Barton, Gorham or any other silver manufacturer using the word "baroque" in a multiple word mark for a baroque pattern. As Wallace apparently now concedes, the term baroque is generic as applied to baroque silverware patterns and, accordingly, Wallace has no exclusive right to that term.

style pieces constitutes trademark infringement, a false designation of origin and unfair competition.

In support of its application, Wallace submitted the affidavit of its president, Leonard Florence, (herein "Florence Affidavit"), which acknowledges the absence of a copyright or design patent for the "Grand Baroque" patterns. Otherwise, the Florence Affidavit includes conclusory allegations regarding the sales, promotion and advertising of the "Grand Baroque" pattern, some of which the District Court found to be at variance with the facts. For example, in paragraph 4 of the Florence Affidavit, Mr. Florence states that, "no other pattern available even remotely simulates its fine design" (referring to the "Grand Baroque" pattern). Yet,

with only a few hours notice, Godinger provided the District Court with samples and/or catalogs depicting several third party baroque silverware patterns that the District Court found to be substantially similar to the "Grand Baroque" pattern. (A 124) (16a)

In support of its application Wallace also submitted the affidavit of George Fina (herein "Fina Affidavit"), a retailer of silverware including Wallace's silverware. However, it is clear from the Fina Affidavit that Mr. Fina was not, for a moment, confused as to the source of Godinger's serving pieces. At all times he knew that Godinger was the source.

The argument of Wallace's application for a temporary restraining order, preliminary injunction and

expedited discovery was scheduled for and held on April 26, 1990 at 9:00 a.m. before Judge Charles S. Haight, Jr. Upon the hearing it was established that Wallace did not own a copyright, patent or trademark registration for the "Grand Baroque" pattern. Nevertheless, Wallace's counsel argued that the pattern should be protected by Lanham Act Section 43(a) and that Godinger should be enjoined from selling its competitive baroque style serving pieces. In opposition to Wallace's application, Godinger argued that Wallace was not entitled to a temporary restraining order or preliminary injunction as it could not show a likelihood of success on the merits because the "Grand Baroque" pattern is in the public domain, is a functional design, does not function as an indicia of source, has not attained

a secondary meaning and is not likely to be confused with Godinger's baroque style serving pieces.

Prior to the hearing, Godinger submitted to the District Court exhibits, including Exhibits "G" and "I", comprising several advertisements and depictions showing third party baroque silverware patterns including Oneida (Michelangelo, DaVinci), Gorham (LaScala), Reed & Barton (Spanish Baroque) and Lunt (Eloquence).

Although Wallace's counsel contended to the District Court that Godinger's baroque style serving pieces violated Wallace's alleged rights in its "Grand Baroque" pattern, he nevertheless maintained that third party baroque silverware patterns which also looked like Wallace's "Grand Baroque" pattern

did not violate Wallace's rights. For example, regarding the baroque "El Greco" pattern of Reed & Barton (A 72):

The Court: How do you factor into your calculus, your understanding of the legal principles, the El Greco design which appears in Defendant's Exhibit 6?

Ms. Cohen: From what company on top? (Wallace Counsel)

The Court: It's Reed & Barton, it says on top, and the design is El Greco. It's a xerox of a photograph and it's not all that clear. But I must say, when I look at Reed & Barton's El Greco it, as far as I can tell, seems very, very close to the plaintiff's baroque design. I mean, some of the points of difference that exist between the plaintiff's and the defendant's do not exist with respect to El Greco in the center of the design, and I am not going to use the right technical words, I am sure, but there is an elaborate part of the design that extends down from the top of the piece down the middle of the handle and it doesn't reach as far towards the

blade, one is speaking of the knife, as do the more elaborate parts of the design on either side of the handle. Now, defendant's design, the center part goes as far as the designs on the side of the handle do. That's not true of the plaintiff's, but it is true of El Greco. And when I look at El Greco it looks a great deal like the plaintiff's. Would you contend, Mr. Galway, that Reed & Barton's El Greco violates legal rights of your client?

Mr. Galway: I wouldn't, your Honor. (Wallace Counsel)

The Court: Why not?

Mr. Galway: And I would respectfully disagree that they are substantially similar. I think that in a baroque design you're going to have certain repetitions of scrolls, you're going to have certain configurations of flowers, leaves, roots, and to that extent, you're going to have that type of similarity. . . .(Emphasis Added) (A 108-109)

And thereafter, when confronted with the third party Camusso pattern (A 121):

Mr. Galway: We don't think the designs are similar, in any event. (Emphasis Added) (A 113)

Judge Haight, in his decision denying Wallace's application, found that several third party baroque silverware patterns were substantially similar to Wallace's Grand Baroque pattern:

> In addition, both plaintiff's and defendant's products are substantially similar to the products of other non-party manufacturers of silverware. See defendant's Exhibit G. Oneida sells a "Michelangelo" line of silverware that resembles the parties' "Baroque" style. Lunt sells an "Eloquence" line, and Reed & Barton an "El Greco" line, that resembles the silverware at issue in this case. (16a)

In his opinion, Judge Haight concluded that Wallace's "Grand

Baroque" pattern served an aesthetic function:

> "In the case at bar, the 'Baroque' curls and flowers are not 'arbitrary embellishments' adopted to identify plaintiff's product. Instead, all the 'Baroque' style silverware use essentially the same scrolls and flowers as a way to compete in the free market. The 'Baroque' style is a line of silverware which many manufacturers produce. Just like the patterns on the chinaware in Pagliero, the 'Grand Baroque' design is a functional feature of 'Baroque' style silverware." (A 128-129)

Accordingly, Judge Haight denied Wallace's application in its entirety.

The Second Circuit Decision

The Second Circuit affirmed the District Court after stating the applicable legal principles and applying them to the facts of the case. Initially, the Second Circuit acknowledged applicability of the

"likelihood of confusion" test and the defense of functionality.

> "In order to maintain an action for trade dress infringement under Section 43(a) of the Lanham Act, the plaintiff must show that its trade dress has acquired secondary meaning - that is, the trade dress identifies the source of the product - and that there is a likelihood of confusion between the original trade dress and the trade dress of the allegedly infringing product. Le Sportsac, Inc. v. K Mart Corp., 754 F.2d 71, 75 (2d Cir. 1985). Even if the plaintiff establishes these elements, the defendant may still avoid liability on a variety of grounds, including the so-called functionality doctrine." (8a)

The Second Circuit went on to affirm the District Court, holding that Judge Haight's finding that there is a substantial market for baroque silverware and that effective competition in that market requires "use [of] essentially the same scrolls and flowers" as is found on Wallace's

pattern was not clearly erroneous. (10a-11a)

The Second Circuit noted that there is no distinction between claims to exclude others from using basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility, and adopted the Restatement's view that:

> . . .where an ornamental feature is claimed as a trademark and trademark protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine denies such protection. (13a)

The Second Circuit further stated the similarity in the designs in issue is a result of the inclusion in both designs of elements necessary to complete in the market for baroque silverware. In dicta the Second

Circuit also noted that if Wallace could show secondary meaning in its baroque pattern, competitors might be excluded from utilizing an identical or virtually identical design, but that no such identity or virtual identity was present here.

ARGUMENT

I. THE DOCTRINE OF AESTHETIC FUNCTIONALITY IS NOT INCONSISTENT WITH INWOOD LABORATORIES INC. V. IVES LABORATORIES, 456 U.S. 844 (1982)

Wallace contends that the Second Circuit's Opinion is contrary to this Court's position on functionality as set forth in Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844 (1982). There is no merit to Wallace's contention. This Court's discussion of functionality in Inwood was brief and incidental as the functionality defense was not addressed on the merits by the Court.[8] Indeed, the sole reference to functionality is in footnote 10 of the opinion of the

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[8] Inwood's claims under §43(a) of the Lanham Act and the District Court's decision thereon were remanded to the Court of Appeals for review.

Court (O'Connor, J.) wherein it is noted:

> In general terms, a product feature is functional if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.
> Inwood, 456 U.S. 851 (1982).

Here, and as the Second Circuit Opinion notes (12a), the product features which Wallace attempts to protect are essential to the purpose of the product, to wit: to compete in the baroque silverware market. Accordingly, the product features of Wallace's baroque silverware pattern are functional. The Second Circuit Opinion holding that the product features of Wallace's baroque silverware pattern are necessary to compete in the market for baroque silverware and hence are functional is not inconsistent with Inwood.

Although Wallace decries the application of the doctrine of functionality to its baroque silverware pattern, such application is proper. It is essential for Godinger's baroque silverware pattern to contain the same baroque design elements, i.e., the flowers and curls, as are contained on Wallace's baroque silverware pattern in order to compete in the market for baroque silverware. Indeed, all other baroque silverware patterns contain these design elements.

Contrary to Wallace's assertion that the Second Circuit Opinion will lessen competition, in fact, the Second Circuit Opinion fosters increased competition. Presently, other large silver houses such as Towle, Lunt, Oneida, Gorham and Reed & Barton market

baroque silverware patterns that are substantially similar to Wallace's baroque silverware pattern. Yet Wallace has not commenced actions against any of those silverware manufacturers. By commencing this action against Godinger and pursuing it to this Court, Wallace speaks volumes about its intent to eliminate competition from those who are not among the established large silverware manufacturers.

The Second Circuit was correct when it stated that there is, ". . .no distinction between a claim to exclude all others from use on silverware of basic elements of a decorative style and claims to generic names, basic colors or designs important to a product's utility". (13a) Here, the grant of trademark protection to the

design of Wallace's baroque silverware pattern would significantly hinder competition by limiting the range of adequate alternative designs and, therefore, protection is properly denied by the doctrine of functionality. See Third Restatement of the Law, Unfair Competition, Ch. 3, §17(c) at 213-214 and examples given therein.

II. THE SECOND CIRCUIT DID NOT ADOPT A NEW TEST FOR DETERMINING TRADE DRESS INFRINGEMENT

Pointing to the appearance of the phrase "identical or virtually identical" in the Second Circuit Opinion, Wallace asserts that the Second Circuit has abandoned the "likelihood of confusion" test in favor of a new test for trade dress infringement allegedly requiring

identity or virtual identity. Nonsense. The Second Circuit Opinion specifically enunciates and follows the "likelihood of confusion" test. (7a) In any event, under any scenario the doctrine of functionality is a defense to an allegation of trademark infringement.

The words "identical" and "virtually identical" are found only in dicta in the final paragraph of the Second Circuit Opinion:

> Of, course, if Wallace were able to show secondary meaning in a precise expression of baroque style, competitors might be excluded from using an identical or virtually identical design. In such a case, numerous alternative baroque designs would still be available to competitors. Although the Godinger design at issue here was found by Judge Haight to be "substantially similar" it is not identical or virtually identical, and the similarity involves design elements necessary to compete in the market for baroque

> silverware. Because according trademark protection to those elements would significantly hinder competitors by limiting the range of adequate alternative designs, we agree with Judge Haight's denial of the preliminary injunction. (Emphasis Added) (14a)

The Second Circuit specifically found that the similarity between the Godinger and Wallace designs is due to the use of public domain design elements which, by definition, are a part of any baroque silverware pattern. Indeed, this is the reason that the Lunt, Towle, Oneida, Gorham, Reed & Barton and Camusso baroque silverware patterns are also similar to the Wallace patterns. Taken in context, the reference to "identical or virtually identical" designs in the Second Circuit Opinion merely delineates between a potentially infringing copy and one whose

similarity results from the use of public domain design elements necessary to compete in the baroque silverware market. In other words, the Second Circuit was merely recognizing that where a mark is weak because it is comprised of generic elements, it is only entitled to protection from identical or virtually identical designs - a principle applied to word marks in countless decisions. See, e.g., Abercrombie & Fitch Co. v. Hunting World, Inc., 537 F.2d 4 (2d Cir. 1976). Clearly, the Second Circuit did not create a new test for determining infringement.

CONCLUSION

The petition for writ of certiorari should be denied.

Date: March 27, 1991

Respectfully submitted,

SCHECHTER, BRUCKER & PAVANE, P.C.
Attorneys for Respondent

\s\Martin Pavane
Martin Pavane*
Deirdre A. Nicolle
350 Fifth Avenue, Suite 4510
New York, New York 10118
(212) 244-6600

* Counsel of Record